

Decision No. 50063**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Pioneer Transit Company, a Corpora-)
 tion dba Harbor Transit conducting)
 as sole owner certain automobile)
 passenger bus lines under the name)
 of the Harbor Transit, to increase)
 rates and fares for the transporta-)
 tion of passengers within the City)
 of Oxnard and areas adjacent)
 thereto.)

Application No. 35208

O P I N I O N

Pioneer Transit Company operates a passenger stage service in the City of Oxnard and vicinity, and between Oxnard, on the one hand, and Hollywood Beach, Silver Strand Beach, Port Hueneme and Point Mugu, on the other hand.¹ By this application, as amended, it seeks authority to increase its fare in the City of Oxnard from 10 cents to 12 cents, to make increases in certain other of its cash and school fares and to cancel existing multiple ride "punch card" tickets. Applicant also proposes to provide a more complete schedule of school fares and to revise and more clearly define the limits of its fare zones.²

Applicant alleges that the sought increases are made necessary by increasing costs of operation and that unless the application is granted it will be compelled to reduce the amount of service now being rendered.

Exhibits attached to the application show the carrier's estimates of operating results to be experienced under the present and

¹ By Decision No. 49184, dated October 6, 1953, in Application No. 34674, applicant acquired the above-described operative right from Isabel Howard and Ben E. Nordman, copartners, doing business as Harbor Transit.

² Applicant's present and proposed fares are set forth in Appendix "A" of this decision. In some instances reductions are proposed.

proposed fares during the 12-month period ending December 31, 1954. Under present fares, according to the exhibits, revenues would total \$48,045, while expenses would amount to \$66,176, resulting in a deficit of \$18,131 for the year.

The Commission's staff, in its independent study of applicant's operations, estimates that in the 12-month period ending February 28, 1955, revenues and expenses under present fares would amount to \$52,010 and \$62,240, respectively, with a net loss of \$10,255, after income taxes. Under the proposed fares the estimated results for the same 12-month period, after income taxes, would reflect a loss of \$7,346, according to applicant's exhibits, and of \$245, on the basis of the staff study.

The operating results under the proposed fares, as estimated by applicant and the Commission's staff, respectively, are summarized in the following table.

<u>Estimated Results of Operations</u> <u>Under Proposed Fares</u>		
<u>Revenues</u>	<u>Applicant (a)</u>	<u>P.U.C. Staff (b)</u>
	\$58,830	\$62,330
<u>Expenses</u>		
Maintenance	12,912	13,230
Transportation	32,285	27,170
Traffic	300	340
Insurance	6,823	5,100
Administrative	6,118	6,360
Operating Rents	1,800	900
Depreciation	3,157	3,170
Operating Taxes	2,781	6,280
Total Expenses	<u>\$66,176</u>	<u>\$62,550</u>
Net Before Income Taxes	(\$ 7,346)	(\$ 220)
Income Taxes	-	25
Net Income	(\$ 7,346)	(\$ 245)
Operating Ratio (c)	112.5% (d)	100.4%
Rate Base	\$17,042	\$17,620
Rate of Return	-	-

(Red Figures)

- (a) - 12 months ending December 31, 1954.
- (b) - 12 months ending February 28, 1955.
- (c) - After income taxes.
- (d) - Error in applicant's exhibits corrected.

The staff's revenue estimate under the proposed fares is somewhat greater than that of applicant, while the reverse is true of the estimated expenses. However, it is not necessary to discuss the reasons for these differences, since under both estimates the carrier's operations during the test periods would result in a loss.

As indicated above, some reductions in fares would result under applicant's proposals. At the present time fares are not specifically named in the carrier's tariff between Oxnard and its other terminals, on the one hand, and points intermediate thereto, on the other. The effective fares in such instances are those named from and to the terminals, assessed under the "intermediate application" rule of the carrier's tariff. The reductions would result by reason of the proposed revision of fare zones, which would accord passengers from and to the intermediate points the benefit of the shorter distances involved.

Applicant served copies of the application, as amended, upon officials of the Cities of Oxnard and Port Hueneme, the U. S. Naval Base at the latter point, and the U. S. Naval Air Missile Test Center at Point Mugu. No one opposed the granting of the proposed fare adjustment.³

It is clear from the record that continuance of operation under the present fares will result in further operating losses. It is also clear that under the proposed fares applicant will experience little, if any, profit during the projected test periods. Upon careful consideration of all the evidence of record, the Commission is of the opinion and finds as a fact that the proposed increased fares have been justified. The application will be granted. A public hearing is not necessary.

3

A protest against the proposed school fare between Port Hueneme and Oxnard, originally filed by the U. S. Naval Construction Battalion Center at Port Hueneme, was subsequently withdrawn.

O R D E R

Based upon the evidence of record and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED that Pioneer Transit Company be and it is hereby authorized to establish, on not less than five days' notice to the Commission and to the public, the passenger fares and other proposed adjustments in fares, station names and zone boundaries as proposed in the application, as amended, filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that, in addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its buses and terminals a printed explanation of its fares. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall expire unless exercised within sixty days after the effective date of this order.

This order shall become effective twenty days after the date hereof.

Dated at San Francisco, California,
this 18th day of May, 1954.

John E. Mitchell

President

Justice J. Caswell

Samuel Pottel

Gene Higgins

Commissioners

APPENDIX "A"

ONE-WAY FARES
(In Cents)

Between And	Oxnard (Station)		Howe Rd. & Ventura Rd.		Thomas Ave. & Saviers Rd.		Hueneme (Pleasant Valley Rd.)		Casper Rd. & Hueneme Road		West Rd. & Oxnard Rd.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Ventura Rd. & Howe Rd. or Saviers Rd. & Thomas Ave.	10	12*										
Hueneme (Perkins Rd.)	15	17	15	12	15	12**						
Casper Rd. & Hueneme Rd.	20	22	15	17	20	17	20	12				
Point Mugu	20	27	20	22	20	22	20	17	20	12		
West Rd. & Oxnard Rd.	15	17	15	12		-		-		-		
Beaches (Silver Strand Ave.)	15	22	15	17		-		-		-	10	12

* Local Zone Fare in Oxnard Applies
Within Following Limits:

One-Way Fare	12¢	Ventura Rd. & Howe Rd. Saviers Rd. & Thomas Ave. 5th & Ventura Rd. Douglas Ave. & "F" St. Bonita Ave.
--------------	-----	---

Present
School Fare

Within City of Oxnard:
12-Ride School Ticket - 60¢

Proposed
School Fares

Where One-Way Fare Is	12-Ride School Ticket Will Be
12¢	\$1.00
17	1.35
22	1.70
27	2.05

** Also applies between Thomas Ave. & Saviers Rd. and intersection of Pleasant Valley Rd. & Ventura Rd.

Present Commutation Fares***
12-Ride Ticket

Within City of Oxnard	\$1.00
Between <u>Oxnard</u> and <u>Hollywood Beach</u>	1.50
Oxnard Port Hueneme	1.50

*** Applicant proposes to cancel these fares.